

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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HUDSON BAY MASTER FUND, LTD., : 11 Civ. 08432 (JPO)(HBP)
 :
 Plaintiff, : **ECF CASE**
 :
 -against- :
 :
 GALENA BIOPHARMA, INC. (f/k/a RXI :
 PHARMACEUTICALS CORPORATION), :
 :
 Defendant. :

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TENOR OPPORTUNITY MASTER FUND, :
 LTD., ARIA OPPORTUNITY FUND, LTD. and : 12 Civ. 00260 (JPO)(HBP)
 PARSOON OPPORTUNITY FUND, LTD., :
 : **ECF CASE**
 Plaintiffs, :
 :
 -against- :
 :
 GALENA BIOPHARMA, INC. (f/k/a RXI :
 PHARMACEUTICALS CORPORATION), :
 :
 Defendant. :

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CRANSHIRE CAPITAL MASTER FUND, LTD., :
 : 12 Civ. 00493 (JPO)(HBP)
 Plaintiff, : **ECF CASE**
 :
 -against- :
 :
 GALENA BIOPHARMA, INC. (f/k/a RXI :
 PHARMACEUTICALS CORPORATION), :
 :
 Defendant. :

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IROQUOIS MASTER FUND, LTD.,
Plaintiff,
-against-
GALENA BIOPHARMA, INC. (f/k/a RXI
PHARMACEUTICALS CORPORATION),
Defendant.
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: 12 Civ. 00839 (JPO)(HBP)
: **ECF CASE**
:
:
:
:

DECLARATION OF ROBERT SIDORSKY

ROBERT SIDORSKY, an attorney duly admitted to practice before this Court, declares under penalties of perjury pursuant to 28 U.S.C. § 1746 as follows:

1. I am a shareholder in the firm of Butzel Long, a professional corporation, counsel for Hudson Bay Master Fund, Ltd. (“Hudson Bay”), Tenor Opportunity Master Fund, Ltd., Aria Opportunity Fund, Ltd., Parsoon Opportunity Fund, Ltd. (collectively, “Tenor Funds”), Cranshire Capital Master Fund, Ltd. (“Cranshire”), and Iroquois Master Fund, Ltd. (“Iroquois”) (collectively, “Plaintiffs”) in the above-captioned actions.

2. I submit this Declaration in support of Plaintiffs’ Joint Motion for Partial Summary Judgment on Count II of their respective Complaints with respect to liability of defendant Galena Biopharma, Inc. (“Galena”), f/k/a RXi Pharmaceuticals Corporation (“RXi”), and for the purpose of placing before the Court the Exhibits cited in Plaintiffs’ Consolidated Memorandum in Support of Their Joint Motion for Partial Summary Judgment.

3. Annexed hereto as Exhibit 1 is a true copy of the Complaint from *Hudson Bay Master Fund, Ltd. v. Galena Biopharma, Inc.*, 11 Civ. 8432, including true copies of the following exhibits to the above-referenced Complaint:

- 1(A) Common Stock Purchase Warrant (Warrant Shares: 1,930,000);
- 1(B) 10/3/11 letter to Galena Biopharma, Inc. from Yoav Roth of Hudson Bay Master Fund, Ltd.;
- 1(C) 10/3/11 email from Dale E. Short of Troy Gould to Shilpi Shah at Hudson Bay Capital;
- 1 (D) 10/4/11 email from Dale E. Short of Troy Gould to Yoav Roth and Shilpi Shah at Hudson Bay Capital;
- 1(E) 10/28/11 letter from Hudson Bay Master Fund, Ltd. to Galena Biopharma, Inc.;
- 1(F) 11/1/11 letter from Galena Biopharma, Inc. to Hudson Bay Master Fund, Ltd.; and
- 1(G) 11/11/11 letter from Hudson Bay Master Fund, Ltd. to Galena Biopharma, Inc.

4. Annexed hereto as Exhibit 2 is a true copy of the Complaint from *Tenor Opportunity Master Fund, Ltd., et al. v. Galena Biopharma, Inc.*, 12 Civ. 0260, including true copies of the following exhibits to the above-referenced Complaint:

- 2(A) Common Stock Purchase Warrant (Warrant Shares: 54,000);
- 2(B) Common Stock Purchase Warrant (Warrant Shares: 36,000);
- 2(C) Common Stock Purchase Warrant (Warrant Shares: 90,000);
- 2(D) Common Stock Purchase Warrant (Warrant Shares: 582,000);

- 2(E) Common Stock Purchase Warrant (Warrant Shares: 134,000);
- 2(F) Common Stock Purchase Warrant (Warrant Shares: 1,224,000);
- 2(G) RXi Issuer Free Writing Prospectus dated 3/22/10;
- 2(H) 10/7/11 letters from Mark Ahn to Aria Opportunity Fund, Ltd./Deutsche Bank Securities, Inc.; Parsoon Opportunity Fund, Ltd./Deutsche Bank Securities, Inc.; and Tenor Opportunity Master Fund, Ltd./Deutsche Bank Securities, Inc. re: Notice of Adjusted Exercise Price of Warrant;
- 2(I) 10/7/11 letters from Mark Ahn to Aria Opportunity Fund, Ltd./Deutsche Bank Securities, Inc.; Parsoon Opportunity Fund, Ltd./Deutsche Bank Securities, Inc.; and Tenor Opportunity Master Fund, Ltd./Deutsche Bank Securities, Inc. re: Notice of Adjusted Exercise Price of Warrant;
- 2(J) 12/9/11 letter from Aria Opportunity Fund, Ltd., Parsoon Opportunity Fund, Ltd. and Tenor Opportunity Master Fund, Ltd. to Galena Biopharma, Inc.; and
- 2(K) Email from Angela DiPilato of Galena to Waqas Khatri with 12/12/11 letter to Aria Opportunity Fund, Ltd., Parsoon Opportunity Fund, Ltd. and Tenor Opportunity Master Fund, Ltd. from Mark Ahn.

5. Annexed hereto as Exhibit 3 is a true copy of the Complaint from *Iroquois Master Fund, Ltd. v. Galena Biopharma, Inc.*, 12 Civ. 0839, including true copies of the following exhibits to the above-referenced Complaint:

- 3(A) Common Stock Purchase Warrant (Warrant Shares: 900,000);
- 3(B) 10/7/11 letter from Mark Ahn to Iroquois Master Fund Ltd. re:
Notice of Adjusted Exercise Price of Warrant;
- 3(C) 12/12/11 letter from Iroquois Capital to Galena Biopharma, Inc. re:
Exercise of Black Scholes Value Put Rights;
- 3(D) 12/14/11 letter to Iroquois Master Fund, Ltd. from Mark Ahn;
- 3(E) 12/15/11 email from Mitch Kulick to Angela DiPilato;
- 3(F) 12/15/11 letter to Iroquois Master Fund, Ltd. from Mark Ahn;
- 3(G) 1/26/11 letter to Galena Biopharma, Inc. from Mitchell R. Kulick
re: Valuation Demand; and
- 3(H) 1/30/12 letter to Iroquois Capital from Mark Ahn.

6. Annexed hereto as Exhibit 4 is a true copy of the Complaint from *Cranshire Capital Master Fund, Ltd. v. Galena Biopharma, Inc.*, 12 Civ. 0493, including true copies of the following exhibits to the above-referenced Complaint:

- 4(A) Common Stock Purchase Warrant (Warrant Shares: 658,518);
- 4(B) Common Stock Purchase Warrant (Warrant Shares: 1,200,000);
- 4(C) 10/1/11 email from Mark Ahn to Keith Goodman re: warrants;
- 4(E) 11/21/11 letter from Cranshire Capital, L.P. to Galena Biopharma,
Inc. re: Exercise of Black Scholes Value Put Rights;
- 4(F) 11/23/11 letter from Mark Ahn to Cranshire Capital Advisors, LLC
and Freestone Advantage Partners, L.P.;
- 4(G) 12/23/11 letter from Cranshire Capital, L.P. and Freestone
Advantage Partners, L.P.; and

4(H) 12/29/11 letter from Mark Ahn to Cranshire Capital Advisors, LLC
and Freestone Advantage Partners, L.P.

7. Annexed hereto as Exhibit 5 is a true copy of the “Certificate of Ownership and Merger Merging Galena Biopharma, Inc. (a Delaware corporation) With and Into RXi Pharmaceuticals Corporation (a Delaware corporation),” filed with the Secretary of State of Delaware on September 26, 2011.

8. Annexed hereto as Exhibit 6 are excerpted pages from RXi’s Annual Report on Form 10-K, filed with the SEC on March 31, 2010, for the period ending 12/31/09.

9. Annexed hereto as Exhibit 7 is RXi’s Form FWP (Free Writing Prospectus), filed with the SEC on March 23, 2010.

10. Annexed hereto as Exhibit 8 are excerpted pages from Galena’s Form 8-K, filed with the SEC on September 26, 2011.

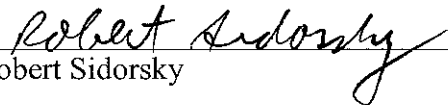
11. Annexed hereto as Exhibit 9 is a true copy of Galena’s Form 8-K, filed with the SEC on January 23, 2012.

12. Annexed hereto as Exhibit 10 is a true copy obtained from Galena’s website of a press release dated April 14, 2011.

13. Annexed hereto as Exhibit 11 is a true copy obtained from Galena’s website of a press release dated May 17, 2011.

14. Annexed hereto as Exhibit 12 is a true copy obtained from Galena's website of a press release dated September 26, 2011.

Dated: New York, New York
March 26, 2012


Robert Sidorsky